



Special Town Meeting

April 27, 2023

Wi-Fi: CHELMSFORD PUBLIC WIFI

No Password Required, Agree to Terms

Website:

slides.chelmsfordtv.org

Paul E. Cohen

Town Manager

Jon Kurland

Town Moderator



Article 1: Tax Increment Financing Agreement I Analog Devices Federal, LLC – 20 Alpha Road

SUBMITTED BY: Select Board

I move that the Town approve a Tax Increment Financing Agreement between the Town and Analog Devices Federal, LLC, (“TIF Agreement”), substantially in the form as distributed to the voters at this Special Town Meeting, pursuant to GL c. 40, §59, and authorize the Select Board to submit a Tax Increment Financing Plan and Certified Project Application to the Massachusetts Economic Assistance Coordinating Council, all relating to the project as described in the TIF Agreement I, to be located at 20 Alpha Road, and to take such other actions as may be necessary to obtain approval of a Certified Project Application, a Tax Increment Financing Plan and to implement a TIF Agreement.





Definitions

- **Tax Increment Financing (TIF) Agreement:**
 - Agreement between the Town, the State and the business
 - Local economic development tool for redevelopment
 - Provides access to state corporate excise tax exemptions
- **Increment:**
 - A property tax exemption on the additional or “incremental” value added to a property
 - Taxes on the base valuation are **not exempted**
 - **Only the incremental value created by the investment is exempted**



Article 1: Tax Increment Financing Agreement I

Analog Devices Federal, LLC – 20 Alpha Road

- Analog Devices Federal is a wholly owned subsidiary of Analog Devices, Inc.
- Manufacturing operations are focused on advanced semiconductor components and modules, mainly for deployment in the defense solutions space.
- Owns property at 20 Alpha Road.
- Investment of \$41.76M in clean room and manufacturing space, and equipment.
- Would retain 207 employees and add 111 employees over five years.
- Average salary for new jobs is \$60,000.



Article 1: Tax Increment Financing Agreement I Analog Devices Federal, LLC – 20 Alpha Road

- 71,500 square-foot building on 5.63 acres of land;
- FY23 Assessment: \$7,162,300
- FY23: Property Taxes: \$130,139
- \$22M investment in interior clean room and manufacturing space;



Article 1: Tax Increment Financing Agreement I Analog Devices Federal, LLC – 20 Alpha Road

Ten Year Tax Increment Financing Schedule

- 2024 90% of the increment
- 2025 80%
- 2026 70%
- 2027 60%
- 2028 50%
- 2029 40%
- 2030 30%
- 2031 20%
- 2032 10%
- 2033 0%



Article 1: Tax Increment Financing Agreement I

Analog Devices Federal, LLC – 20 Alpha Road

20 ALPHA RD

Year	Estimated Current Property Tax (Base Only)	Estimated Project Valuation	Estimated New Incremental Annual property Tax	Percent Exempt	Exempted RE Property Taxes	Estimated Incremental Tax Bill w TIF	Estimated Total RE taxes to Town (Base+ New)
1	129,924	\$22,230,000	\$403,919	90%	\$ 363,527	\$40,392	\$ 170,316
2	129,924	\$22,230,000	\$403,919	80%	\$ 323,135	\$80,784	\$ 210,708
3	129,924	\$22,230,000	\$403,919	70%	\$ 282,743	\$121,176	\$ 251,100
4	129,924	\$22,230,000	\$403,919	60%	\$ 242,351	\$161,568	\$ 291,492
5	129,924	\$22,230,000	\$403,919	50%	\$ 201,960	\$201,960	\$ 331,884
6	129,924	\$22,230,000	\$403,919	40%	\$ 161,568	\$242,351	\$ 372,275
7	129,924	\$22,230,000	\$403,919	30%	\$ 121,176	\$282,743	\$ 412,667
8	129,924	\$22,230,000	\$403,919	20%	\$ 80,784	\$323,135	\$ 453,059
9	129,924	\$22,230,000	\$403,919	10%	\$ 40,392	\$363,527	\$ 493,451
10	129,924	\$22,230,000	\$403,919	0%	\$ -	\$403,919	\$ 533,843
					\$ 1,817,636	\$ 2,221,555	\$ 3,520,795



Article 1: Tax Increment Financing Agreement I Analog Devices Federal, LLC – 20 Alpha Road

- **Policy**

- Competitive market place
- Economic Development Program
- “Branding” / Marketing of Route 129 Corridor

- **Programmatic**

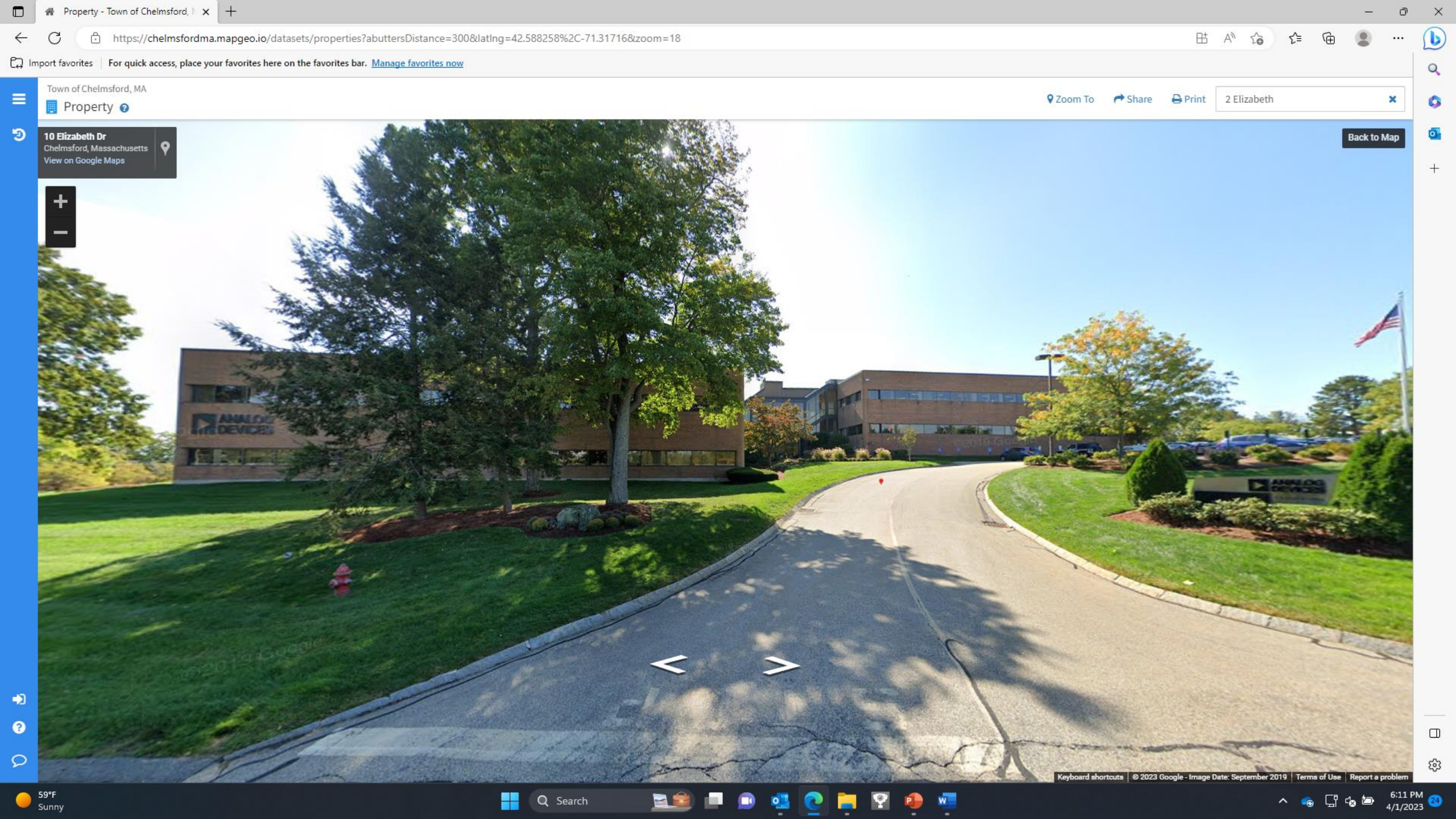
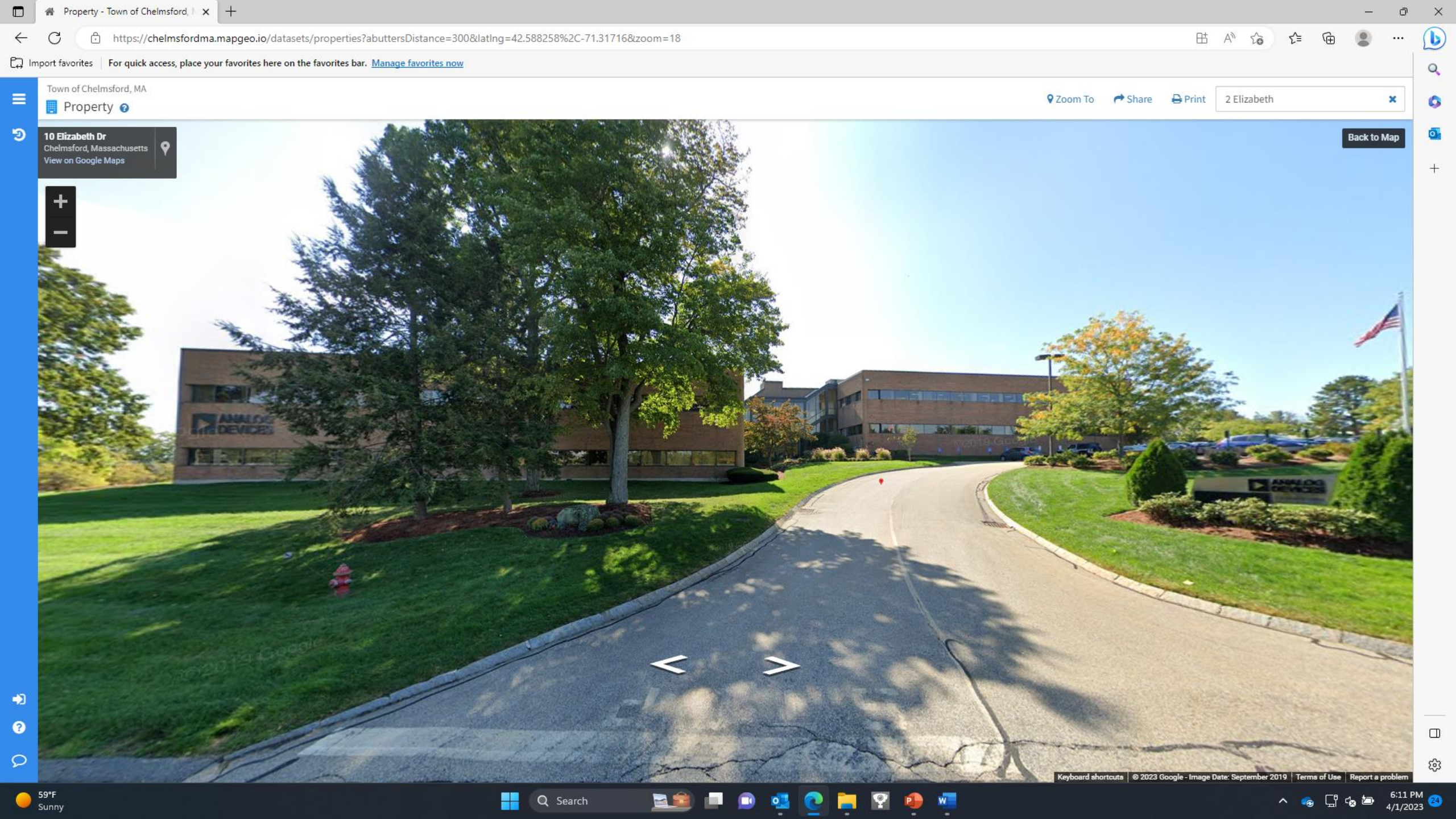
- Increases existing property tax revenue
- Avoids potential vacancy
- Job retention & job creation
- Capital investment
- Increased economic activity for Chelmsford businesses



Article 2: Tax Increment Financing Agreement II Analog Devices, Inc. – 2 Elizabeth Drive

SUBMITTED BY: Select Board

I move that the Town approve a Tax Increment Financing Agreement between the Town and Analog Devices, Inc., and Analog Devices Federal, LLC (“TIF Agreement”), substantially in the form as distributed to the voters at this Special Town Meeting, pursuant to GL c. 40, §59, and authorize the Select Board to submit a Tax Increment Financing Plan and Certified Project Application to the Massachusetts Economic Assistance Coordinating Council, all relating to the project as described in the TIF Agreement II to be located at 2 Elizabeth Drive, and to take such other actions as may be necessary to obtain approval of a Certified Project Application, a Tax Increment Financing Plan and to implement a TIF Agreement.





Article 2: Tax Increment Financing Agreement II Analog Devices, Inc. – 2 Elizabeth Drive

- Owns property at 2 Elizabeth Drive.
- Investment of \$21.15M in clean room and lab space, FFE, and other;
- Would retain 158 employees and add 22 employees over five years.
- Average salary for new jobs is \$100,000.



Article 2: Tax Increment Financing Agreement II Analog Devices, Inc. – 2 Elizabeth Drive

- 106,372 square-foot building on 6.98 acres of land;
- FY23 Assessment: \$11,748,400
- FY23: Property Taxes: \$213,468
- \$15.345M investment in interior clean room and manufacturing space;



Article 2: Tax Increment Financing Agreement II Analog Devices, Inc. – 2 Elizabeth Drive

Ten Year Tax Increment Financing Schedule

- 2024 90% of the increment
- 2025 80%
- 2026 70%
- 2027 60%
- 2028 50%
- 2029 40%
- 2030 30%
- 2031 20%
- 2032 10%
- 2033 0%



Article 2: Tax Increment Financing Agreement II

Analog Devices, Inc. – 2 Elizabeth Drive

2 ELIZABETH DR

Year	Estimated Current Property Tax (Base Only)	Estimated Project Valuation	Estimated New Incremental Annual property Tax	Percent Exempt	Exempted RE Property Taxes	Estimated Incremental Tax Bill w TIF	Estimated Total RE taxes to Town (Base+ New)
1	213,156	\$15,345,000	\$278,819	90%	\$ 250,937	\$27,882	\$ 241,038
2	213,156	\$15,345,000	\$278,819	80%	\$ 223,055	\$55,764	\$ 268,920
3	213,156	\$15,345,000	\$278,819	70%	\$ 195,173	\$83,646	\$ 296,802
4	213,156	\$15,345,000	\$278,819	60%	\$ 167,291	\$111,527	\$ 324,683
5	213,156	\$15,345,000	\$278,819	50%	\$ 139,409	\$139,409	\$ 352,565
6	213,156	\$15,345,000	\$278,819	40%	\$ 111,527	\$167,291	\$ 380,447
7	213,156	\$15,345,000	\$278,819	30%	\$ 83,646	\$195,173	\$ 408,329
8	213,156	\$15,345,000	\$278,819	20%	\$ 55,764	\$223,055	\$ 436,211
9	213,156	\$15,345,000	\$278,819	10%	\$ 27,882	\$250,937	\$ 464,093
10	213,156	\$15,345,000	\$278,819	0%	\$ -	\$278,819	\$ 491,975
					\$ 1,254,684	\$ 1,533,503	\$ 3,665,063



Article 3: Home Rule Petition Ledge Road Motor Vehicle Weight Restrictions

SUBMITTED BY: Select Board

I move that the Town authorize the Select Board to petition the General Court of the Commonwealth of Massachusetts to enact a special act to restrict commercial truck traffic along Ledge Road, notwithstanding the provisions of Section 2 of Chapter 85 and Section 18 of Chapter 90 of the Massachusetts General Laws as set forth below:

AN ACT RESTRICTING THE WEIGHT OF MOTOR VEHICLES ALONG LEDGE ROAD IN THE TOWN OF CHELMSFORD.

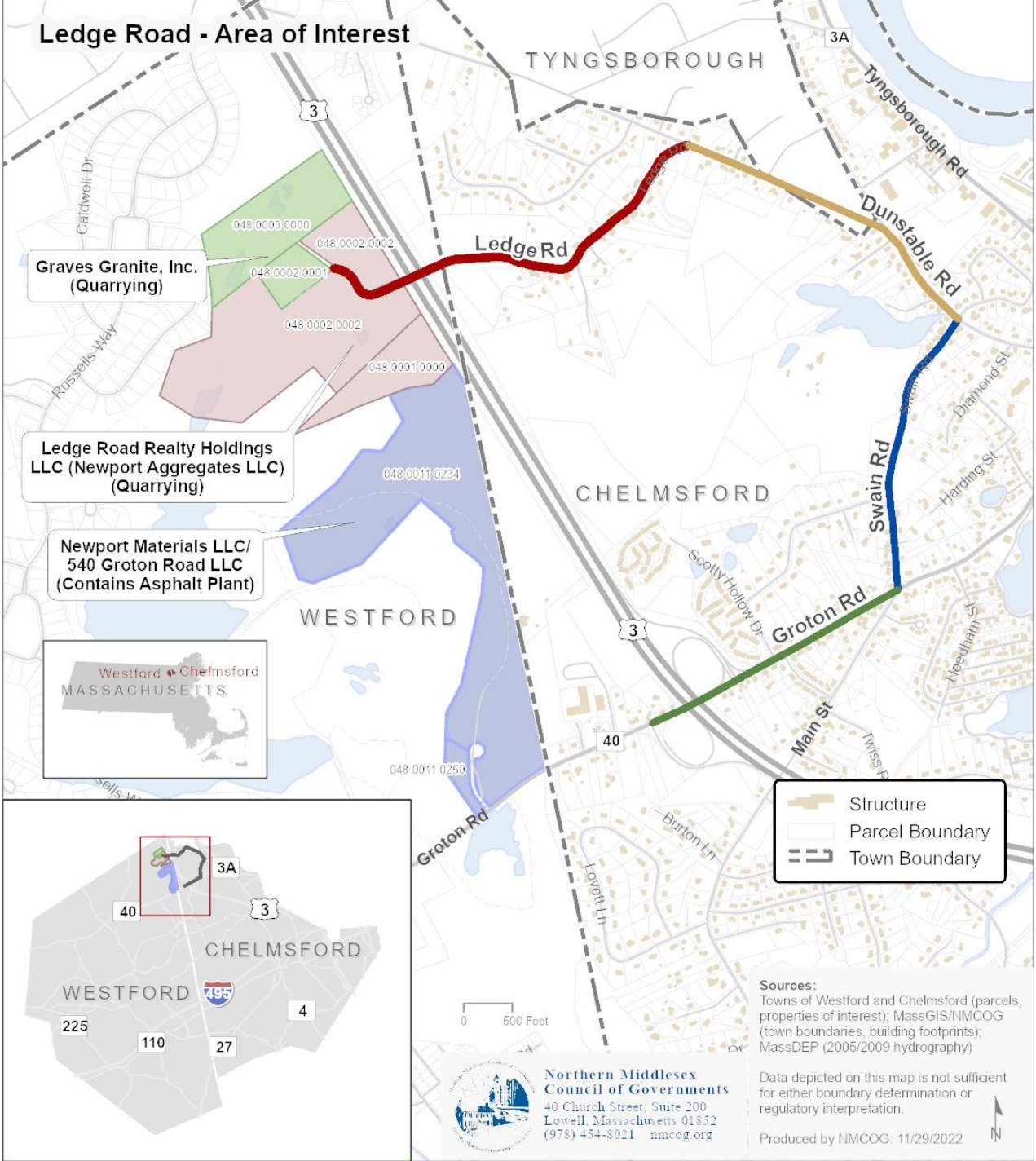
Be it enacted, etc., as follows:

SECTION 1. Notwithstanding the provisions of section 2 of chapter 85 and section 18 of chapter 90 of the General Laws, no motor vehicle with a gross weight, including load, of over 26,000 pounds or more than a total of three axles shall travel upon Ledge Road in the town of Chelmsford.

SECTION 2. Section 1 shall not restrict the passage of firefighting, public works, or other public safety motor vehicles along Ledge Road.

SECTION 3. This act shall take effect upon its passage.

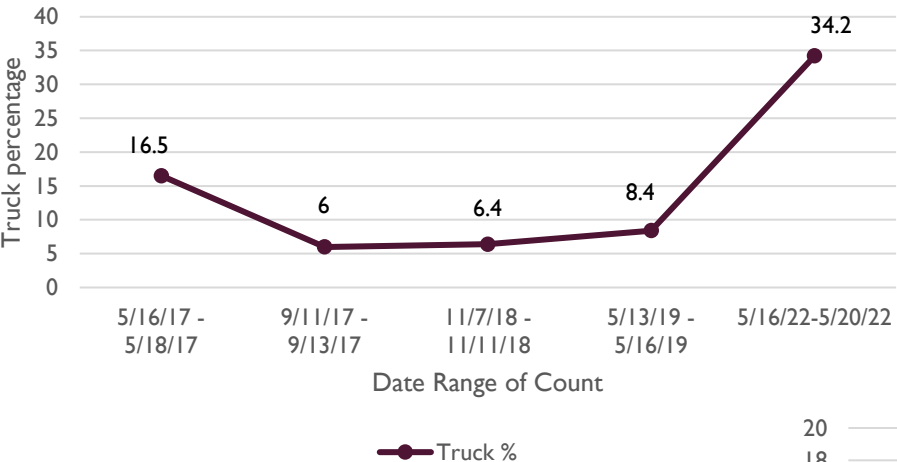
EXISTING CONDITIONS



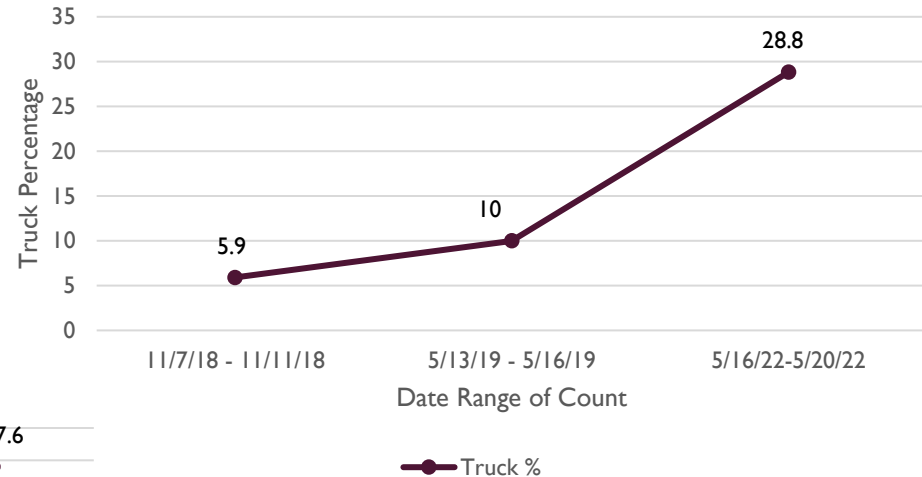


PERCENTAGE OF TRUCKS ON AREA ROADWAYS

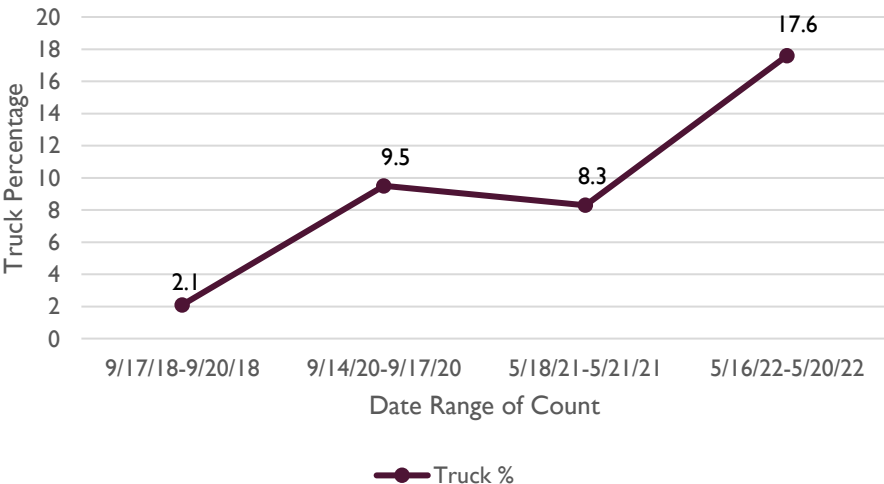
Swain Road South of Dunstable Road



Swain Road North of Groton Road



Route 40 East of Route 3 NB





Article 3: Home Rule Petition Ledge Road Motor Vehicle Weight Restrictions





Article 4: Center Elementary School Boilers

SUBMITTED BY: Town Manager

I move that Town transfer \$150,000 from the Finance Committee Reserve Fund and raise and appropriate \$60,000 to replace the heating boilers at the Center Elementary School.

CENTER SCHOOL BOILERS

- Existing system (2) gas fired hot water boilers – Aerco, 1.5 MBH each, installed in 2010.
- Estimated lifespan of 20 years. Previous 2016 Facilities Report indicated “very good” condition and age
- Replacement of boilers was not proposed in 5 year Capital Improvement Plan because of good condition



CENTER SCHOOL BOILERS

- February 2023 - Heat exchanger on one of the boilers failed/cracked due to combustible force, causing irreparable damage to the boiler.
- Parts and boilers are outside any warranty timelines, repair of the boiler is not an option.
- Building is operating on one boiler, but 2 boilers are required during colder winter months.
- Recommendation is to replace failed boiler and also replace second boiler due to need for controls integration and compatibility
- Estimated cost for replacement is **\$210,000** for both boilers
- Second boiler that is still functional will be kept as spare for any school needs.





Article 5: McCarthy Middle School Kitchen Renovations

SUBMITTED BY: Town Manager ***Two-Thirds Vote***

I move that the Town appropriate \$550,000 for the renovation of the McCarthy Middle School kitchen; and that to meet this appropriation, the Town authorize the Treasurer, with the approval of the Select Board, to borrow \$550,000 under Chapter 44 of the General Laws or any other enabling authority; that any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any premium applied to the payment of the cost of issuance of such bonds or notes, be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount; and authorize the Town Manager to take any other action necessary or convenient to carry out this project.

McCarthy Kitchen Renovations

- FY23 Capital Projects – renovations of the McCarthy Kitchen (\$438,355)
- Town is under contract with designer, JTA, to develop detailed design documents for procurement. Construction planned for summer 2023.
- Request for an additional funding in the amount of \$550,000
- Current Estimated Construction Cost approximately \$1.0M, \$545/sf (within current sf construction costs)



McCarthy Kitchen Renovations

- Reasons for estimated construction cost escalation:
 - Increase in construction industry costs due to material costs, limited contractor liability, and inflation
 - Kitchen equipment costs have increased over 60% from last kitchen installation (Parker 2021).
 - Additional \$100,000 estimated for hood installation to bring kitchen up to code
 - Exterior grease/oil water separator
 - Overall more complex construction than originally estimated from 2016 Dore and Whittier Facilities Report

